

information bulletin

OF THE CENTRAL COMMITTEE
OF THE POLISH UNITED
WORKERS' PARTY

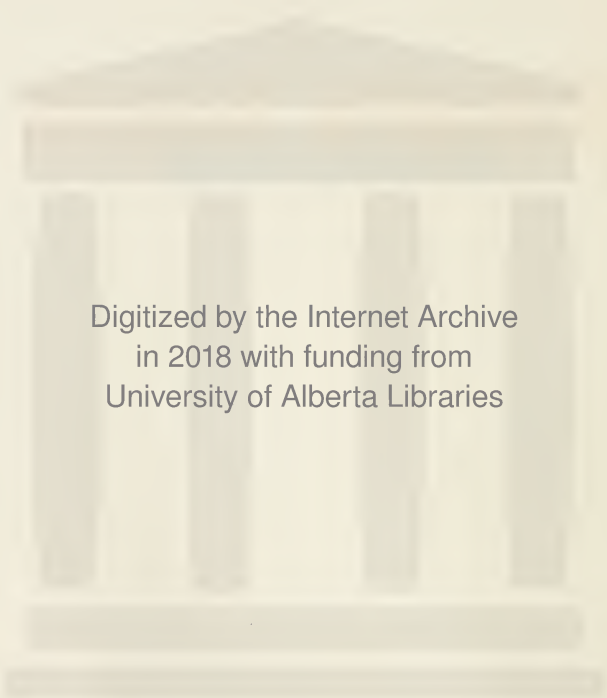
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OF THE POLISH UNITED
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W A R S A W

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C O N T E N T S

Page

Władysław Gomułka

Address Delivered at a Meeting of the Warsaw Party Active	7
--	---

Edward Gierek

Speech Delivered at the Fourteenth Congress of the Communist Party of Belgium	47
--	----

Witold Jarosiński

Speech Delivered at the Thirteenth Congress of the Communist Party of Finland	53
--	----

Edmund Pszczółkowski

Agriculture — the Decisive Front	58
--	----

MATERIALS AND DOCUMENTS

Telegram to the Twenty-Eighth Congress of the Com- munist Party of Great Britain	67
Telegram to the National Conference of the Communist Party of New Zealand	68
Chronicle	69

WŁADYSŁAW GOMUŁKA

First Secretary of the CC of the PZWP

ADDRESS DELIVERED AT A MEETING OF THE WARSAW PARTY ACTIVE

APRIL 17, 1963

Comrades,

The main subject of my address will be economic affairs. The industrialization and all-round development of our country, the welfare of the working class and all working people, and the ensuring of good development prospects for the future, occupied the central place in the work of our Party, yesterday, occupy the same place today and will continue to do so tomorrow. It is extremely important that the Party active, the active of the workers' self-government and all Party members should always be well acquainted with the economic problems of our country. This is a fundamental condition for fruitful work by our Party in every sphere of life. It is also indispensable in the activity of every workers' self-government, in the work of the trade unions and all mass organizations. Lack of a good grasp of this subject makes it difficult for the Party organizations and the social active to present the policy of the Party and the government in the proper light to the workers and to the entire population. And this is essential for drawing the working class and the working masses into active participation in Socialist construction.

A matter to which I wish primarily to draw your attention and which requires thorough explanation is the recent increase in fuel prices and electricity rates and the related changes in wages and state purchase prices paid to peasants. Even though



WŁADYSŁAW GOMUŁKA ADDRESSES THE WARSAW ACTIVE

it was dealt with extensively by the Chairman of the Council of Ministers, Comrade Cyrankiewicz, in his address in the Sejm, this matter has so far not been fully understood by part of the population, has caused dissatisfaction among that section of workers whose monetary compensation will not fully cover the increased expenditures for fuel and electricity. This is no surprise. No one can be satisfied with an operation from which he gains nothing but loses to a greater or lesser degree. If, however, the person who loses understands the sense and motives which guided the leadership of the Party and the government in deciding to raise fuel prices and electricity rates, his feeling of dissatisfaction is bound to be mingled with a sense of approval of this measure. This will be the attitude of all

those whose personal interests do not overshadow the underlying reasons for the changes made in prices and wages.

Quite a lot has been heard to the effect that the increase in fuel prices and electricity rates will lead to a decrease in the purchasing power of the working class and of all persons employed in the socialized economy. These assertions find no confirmation in actual fact and are not true. I shall try to prove this later on. The total amount of compensation given to employees of the socialized economy and pensioners even exceeds by more than 12 per cent the additional annual expenditures by this part of the population in connection with the rise in fuel prices and electricity rates. The bulk of the employees of the socialized economy not only do not lose because of the rise in fuel and electricity rates, but even gain somewhat. However, since the amount of compensation is in principle the same for every employee and the expenditures for fuel and electricity vary for different employees, the change in prices and wages has brought a certain gain for some and a certain loss for others. I shall return to this matter later on in my address.

At this point many persons would like to ask: what sense, therefore, is there to the increase in fuel and electricity rates if the state does not increase its revenues from the population from this source? What the devil did someone dream up this operation with prices and wages which causes so much disturbance and dissatisfaction among those who lose from this operation? Does the government have too few worries and wanted to create new, unnecessary trouble for itself?

The decision to change prices and wages was not taken lightly. It has been thoroughly thought out and justified both by economic and social considerations. Underlying this decision is, in the first place, the need for thrifty use of household coal and electricity in view of the fuel balance in our economy.

Let us take a closer look at this matter.

Socialist Poland is a country of dynamic development. Each passing year brings new mines, mills and factories, new residential buildings, new schools, hospitals and other facilities. The population of our country is growing rapidly. In the years 1951-1962, the natural increase added 5,449,000 persons to the population of Poland. In this same time the output of our industry rose fourfold. All of this increases the demand for fuel and electricity year after year.

*

Hard coal is the basic fuel which our country possesses. Hitherto, unfortunately, we have not found within the depths of our land any major deposits of the most economic fuels and raw materials, that is, gas and crude oil. So far, our production of these raw materials has not been of considerable quantity. In recent years we have achieved a substantial increase in the output of brown coal which is becoming the main fuel in the plans for the further development of our power industry; nevertheless, hard coal still predominates in our national fuel balance, and shall continue to do so. The reserves of this coal are rich in our country. We also have considerable reserves of brown coal. But any increase in the exploitation of these deposits calls for huge investment outlays which are not amortized for many years owing to the long time it takes to build a mine. The cost of building one deep mine for hard coal comes to about 3,000 million zlotys, or approximately as much as it costs to build a housing project with some 75,000 rooms. Moreover, a mine of this type has to be built for 10 to 12 years whereas a residential building can be put up and handed over for occupancy within two years' time.

The state allocates huge resources for investments in the coal

industry. In 1956-1960 the investment outlays in the hard coal and brown coal industries amounted to 28,700 million zlotys and constituted 17.5 per cent of the total outlays in all industries. The present Five-Year Plan provides for the expenditure of 41,800 million zlotys for capital investments in the coal industry, or nearly 16 per cent of the total investment outlays for all industries. Of this sum, we spent over 15,700 million zlotys in 1961 and 1962. At present we have 11 deep mines for hard coal and 52 new extracting levels under construction. During the current Five-Year Plan period we shall begin the construction of one more hard coal mine.

Due to the great investment effort on the part of the state, the production capacity of the coal industry has been increased considerably during the years of people's rule. The extraction of hard coal rose from 78 million tons in 1950 to 109.6 million tons in 1962 — an increase of 40.5 per cent in 12 years. During this same time the output of brown coal went up from 4.8 million tons to more than 11 million tons, that is, by nearly 130 per cent.

The country's demand for coal, however, grew more rapidly than production. In 1950 the consumption of hard coal in industry and in construction was 32 million tons, in 1955 it was up to 48.7 million tons, and in 1962 reached a level of 66.5 million tons. During this period, therefore, it rose by 107 per cent. For the generation of electricity alone we used last year nearly 21 million tons of hard coal and 3.7 million tons of brown coal. The consumption of hard coal by the Transport Ministry rose from 6,878,000 tons in 1950 to 10,136,000 tons in 1962, that is by 47.4 per cent. Thus, the country's consumption of hard coal totalled 52.4 million tons in 1950 while last year (1962) it amounted to 95 million tons — an increase of 81.3 per cent. Meanwhile, as we have already said, the coal output increased during this period by 40.5 per cent, which means that

it did not keep pace with the rise in the country's demand for coal.

In this situation we had to make serious cutbacks in the export of coal. Whereas in 1950 we exported 26,570,000 tons of hard coal, which constituted 34 per cent of the total output, in 1962 the export figure was only 17,313,000 tons, or 15.8 per cent of the output. Moreover, last year we imported more than one million tons of coking coal and more than half a million tons of brown coal briquettes, while in 1950 we did not import these fuels at all. This year we are reducing exports of hard coal by another million tons and at the same time we are increasing imports of coking coal.

Thus, in spite of the enormous investment outlays in the coal industry and the substantial increase in the production capacities of the mines, the rapid development of industry and of the entire national economy has created a new situation in the fuel balance, a situation which calls for the thriftiest and most rational use of coal. The main consumer of coal is industry, which has the biggest possibilities for economy. Exploitation of these possibilities depends not only on certain investment outlays for modernization of plant but also on the management and workers' self-government showing economic initiative and looking into these matters.

The possibility of savings in the use of household coal is provided on the one hand by the replacement of uneconomical heating equipment with more economic furnaces and stoves, and, on the other hand, by the replacement of hard coal with another type of fuel. This is the prime purpose of the increase in the price of household coal.

The consumption of hard coal for community purposes, that is, as kitchen fuel and for heating households, offices, schools, hospitals and other buildings, rose from 13.9 million tons in 1955 to 18.4 million tons in 1962. To this should be added

other types of fuel which the state supplies for heating and kitchen purposes, namely, coke, brown coal briquettes, brown coal, peat, and gas. If these fuels are converted into terms of coal, the consumption of all these fuels supplied by the state for community purposes totalled 16.4 million tons in 1955 and 21.6 million tons in 1962. In other words, it rose by 32 per cent. This means that the consumption of fuel for community purposes, in terms of hard coal, amounted to an average of 589 kilogrammes (1,298 lbs.) per capita in 1955 and 700 kg. (1,540 lbs.) per capita in 1962, which means that it went up by 19 per cent.

Of the total of 18.4 million tons of hard coal used for heating and kitchen purposes in 1962, about 5.9 million tons were accounted for by coal allowances received by employees of the socialized economy, 5,275,000 tons by market supplies for employees not receiving coal allowances and for pensioners, 3,665,000 tons by supplies for farmers under state contracts for livestock and farm produce as well as under the established supply norms for peasant holdings and cooperative farms, and about 300,000 tons for private enterprise in the towns and for private workshops in the countryside. The remainder, some 3.3 million tons, was used to heat offices, schools, hospitals and other institutions and also as fuel in central heating plants.

The rise in the consumption of coal for heating and kitchen purposes has run ahead of the population increase in our country by quite a margin. One source of this rise is the improvement in the housing conditions in town and country — a certain drop in the number of tenants per housing unit as a result of housing construction. At present we have more classrooms and hospital beds per 1,000 inhabitants than we did in 1955. This also entails a higher percentage increase in the fuel consumption in these buildings than the percentage

increase in population. All of this, however, does not justify the increase in consumption of state-supplied fuels by as much as 19 per cent per capita. The main causes of this increase lie, firstly, in the less thrifty use of fuel by the population and various institutions and, secondly, in the population, especially rural population switching to the purchase of hard coal and giving up the possibility of getting other fuel from local sources. Until recently, this was favoured by the low price of hard coal.

The consumption of coal is somewhat lower in the countryside than in the towns. Calculation of the amount of hard coal used by the rural population is difficult in that, apart from the amounts of coal supplies to the countryside by the state, there are the coal allowances received by workers employed in industry and residing in the villages. Moreover, miners and other workers who get coal allowances transfer or sell their coal allowances to the rural population. It has been estimated that these sources give the countryside one million to one and a half million tons of hard coal a year. Without these coal allowances the agricultural and non-agricultural population living in the countryside received about 4 million tons of coal from the state in 1955, and about 6,550,000 tons in 1962, which denotes an increase of 64 per cent. On a national scale the consumption of coal for heating and kitchen purposes went up during this time by 32 per cent. In per capita terms, state supplies of coal to the countryside were 260 kg. (572 lbs.) in 1955 and 421 kg. (904.2 lbs) last year — an increase, of 62 per cent, whereas the increase per capita nationally was, as I have said before, 19 per cent.

From the figures cited it by no means follows that the rural population uses coal more wastefully than the urban population or that it gets too much coal in comparison to its normal fuel needs. After all, it gets less coal than the urban

population. The increase in the coal consumption by the rural population is in part justified by the development of stock farming, especially pig raising. The more livestock the state purchases the more coal it must supply to the farmers. But the increase in stock farming cannot explain such a big increase in the consumption of coal by the rural population. The main cause lies in the fact that people in the countryside have been turning away from such fuels as peat, tree stumps, etc., and replacing them with hard coal.

At the previous prices of coal the peasants simply did not consider it worth while, for instance, to exploit the peat fields in their localities, a fuel to be found in many parts of our country. It also did not pay them to buy peat dug by socialized enterprises because of the price of peat in relation to that of hard coal. For that reason, therefore, there was a big drop — as much as 25 per cent — in the consumption of peat for household purposes, namely, from more than 2 million tons in 1955 to 1,500,000 tons in 1962.

At the present price of peat, which has been raised by 40 per cent, and at the present price of hard coal, which has been increased by 100 per cent, the machine extraction of peat will now be profitable and the purchaser, too, will find it more profitable to buy peat than to buy hard coal. The present relation between the price of hard coal and the price of peat will tend to increase the output and use of this less calorific but much cheaper fuel.

It is not a question only of the countryside and of extraction by peasants themselves. Peat and other household fuels, excluding hard coal, must be used to a greater extent than hitherto in all parts of the country.

Initiative in this regard should be shown first and foremost by People's Councils whose localities contain deposits of these fuels. Cooperatives and local industry run by the People's

Councils should be given the job of extracting the fuels. Steps are also being taken by the national authorities to increase the country's pool of heating and kitchen fuel without increasing the allocations of hard coal for this purpose.

In what I have said thus far lies the first main reason why the state found it necessary to raise the price of coal.

*

The second reason is the cost of production connected with the mining of coal.

The price of hard coal purchased by the population at 250 zlotys a ton was fixed in 1953 and did not change for 10 years. During this period, however, the production costs changed, that is, went up. The increase in production costs stemmed from the increase in earnings in the mining industry and from the change in prices of materials supplied to mines such as timber, iron, etc. The increase in earnings actually increased the cost of production, while the rise in prices of materials brought costs up to the level they should have been. For in past years there was the practice of reducing the prices of supplies, that is, the prices paid by enterprises for materials received by them for production purposes. This hindered, and even made it impossible, to determine the exact costs of materials going into the final product. The economic policy of the state has broken with this practice. At present, the prices of supplies correspond to the costs of producing the various materials.

In 1955-1962 the costs of coal production rose by 141 per cent. The actual increase in production costs is lower since, as I have said, during this period the prices of materials were raised to a realistic level. Before this happened, production costs were artificially lower. Nevertheless, real production costs in-

creased considerably during these years, primarily because of the rise in wages in mining. The proportion of labour costs in the total production costs per ton of coal is high. In 1962 it amounted to more than 30 per cent; hence, increases in wages in the mining industry have a very marked influence on production costs. In the years 1955-1962 the average monthly earnings of an employee in the industrial group in hard coal mining rose from 1,759 zlotys to 2,963 zlotys, or by 68 per cent. Productivity also rose during this period but to a much smaller extent. The output of hard coal per man-day went up from 1,147 kg. (2,524 lbs.) to 1,354 kg. (2,979 lbs.), which is an 18 per cent increase. Actually, already in 1955 the price of coal was below real costs. The state subsidies for household coal therefore increased as the production costs went up and as the amount of coal sold for heating and kitchen purposes increased.

As part of the steps taken to bring up the prices of raw materials and supplies to a realistic level, the price of coal purchased by state enterprises was raised back in 1959. Only the price of household coal was not changed at that time. Since the rise in prices of mining supplies state enterprises have been paying 415 zlotys per ton of coal classified as large coal. This price corresponds more or less to the production costs. For the same type of coal going for household purposes the population paid 250 zlotys per ton. Thus, the state subsidized each ton of coal sold to the population by about 165 zlotys, if only the production costs are taken into account. The low retail price of coal did not encourage the population either to save this fuel or to replace hard coal with other fuel. Moreover, from the viewpoint of sound economic policy and taking into account the present stage in the construction of Socialism in our country, the state subsidies to the prices of fuel and electricity

serve no good purpose and are incorrect. I shall give the arguments for this later.

The new retail price of large coal, that is, 500 zlotys a ton, has been set as we know at a level above that paid by state enterprises. This is primarily due to the fact that retail sales entail additional costs such as the wages of the personnel and the profit of the commercial enterprises, etc.

The rates for central heating and hot water as well as for electricity and gas also did not cover the production costs since they were based on below-cost prices of coal and other fuels. For these reasons they too were raised.

The average national rate for central heating will be increased by about 48 per cent as of June 1st and will be from 1.80 to 3.20 zlotys per month per square metre (11 square feet) of living space. This still does not cover the production costs in full, and with the present fuel prices the state will continue to subsidize central heating by some 80 million zlotys a year. The previous subsidy was much higher. Before the increase in fuel prices the state subsidy for fuel used, in 1962, for central heating of buildings administered by the People's Councils amounted to 128 million zlotys on a national scale, of which about 42 million zlotys went to Warsaw. Other costs of central heating involved state subsidies last year, excluding Warsaw, to the tune of about 30 million zlotys.

Besides these subsidies, the state also subsidized the heat supplied by power stations to dwelling houses. In 1962, thermal power stations in the country supplied nearly 2.5 million gigacalories of heat (1 gigacalorie = 1,000 million calories). The cost of producing one Gcal was about 95 zlotys whereas the consumers paid 44 zlotys per Gcal. The state subsidies for this amounted to approximately 127 million zlotys. All told, the state subsidies for central heating in 1962 came to about 285 million zlotys, of which about 125 million zlotys went to

Warsaw. Of the total sum, subsidies for residential central heating amounted to about 210 million zlotys on a national scale, of which about 68 million zlotys went to Warsaw.

The total of these subsidies kept rising each year as the number of residential units with central heating and hot water increased. Whereas in 1950 there were about 178,000 such residential units in the towns and settlements, in 1955 the figure was 273,000 and in 1962 it was up to 598,000, or nearly three and a half times the figure for 1950. In comparison to the total number of housing units in town and country, the percentage of units with central heating in 1950 was 6.6 per cent whereas at present it is more than 16 per cent.

State subsidies, on a national scale, for gas supplied to the population in 1962 was about 470 million zlotys, of which about 60 million zlotys for Warsaw. The previous national average rate for gas charged by the state was about 45 groszy per cubic metre (per 35 cu. ft) whereas the cost of production in works run by the Gas Industry Board is more than 70 per cent higher, or 77 groszy per cu. metre. In small municipal gas works the cost of producing gas is much higher. The new price of gas, 90 groszy per cu. metre, is profitable in enterprises controlled by the Gas Industry Board but the small municipal gas works will continue to run a deficit. The gas rate of 50 groszy per cubic metre fixed for the Upper and Lower Silesian Basins also does not cover the production costs of the Gas Industry Board enterprises.

In the Silesian area the gas rate before the increase came to an average of 28 groszy per cu. metre; this local low rate had been introduced at a time when Silesia had huge surpluses of coke-oven gas which was allowed to escape into the air. The low rate at that time was to encourage Silesian consumers to use gas in their households. Although at present coke-oven gas is fully utilized, we have found it proper to maintain the

previous difference in gas rates for the population of the Upper and Lower Silesian Basins.

In spite of the increase in rates the state subsidies, on a national scale, for gas used by the population will amount to about 160 million zlotys per year.

All told, the consumption of gas in homes amounted to 260 million cu. metres (9,182 million cu. ft.) in 1950; in 1955 it was 500 million cu. metres (17,657 million cu. ft.) and last year more than 941 million cu. metres (33,235 million cu. ft.); in other words, it went up by more than 260 per cent. Here, too, the state subsidies rose as gas consumption increased.

The average electricity rate in urban systems, including fixed charges, previously came to 41 groszy per kilowatt-hour whereas the production cost was 67 groszy, i.e., about 60 per cent higher. For every kw-h used by the urban population the state, therefore, paid a subsidy of about 26 groszy. Farms paid an average of 82 groszy per kw-h whereas the production cost of electricity supplied to the countryside is 21 per cent higher and amounts to 99 groszy per kw-h. The state subsidy therefore came to about 17 groszy per kw-h.

The total consumption of electricity in households and farmsteads throughout the country was about 716 million kw-h in 1950, and last year — 3,067 million kw-h: an increase of more than 328 per cent. Consequently, state subsidies for electricity also increased.

The new rate for electricity, 90 groszys per kw-h for the urban population and 1,20 zlotys per kw-h for the rural population for the first 30 kw-h per month and 90 groszy per kw-h over and above that, completely eliminates the state subsidies and ensures a certain profit for the power enterprises.

From the figures cited it is clear that the state subsidies for coal and other fuel, for central heating and hot water, for gas and electricity were not constant but changed upwards

each year in connection with the increase in production costs and the rise in consumption in urban households and farmsteads. This process had to be stopped since it entailed an unequal division of the national income intended for consumption.

This is the third reason why the leadership of the Party and the government found it necessary to make the changes in prices and wages.

If the consumption of fuel, gas, electricity and rates for central heating and hot water in 1962 are taken as the basis for calculation it appears that the total expenditure to be borne by the population as a result of the new prices will come to about 4,100 million zlotys a year. Of this total, 2,774 million zlotys a years will be covered by people employed in socialized industry and pensioners.

The foregoing expenditures consist of the following items:
increase in prices of coal, coke and other fuels — 1,365 million zlotys

increase in central heating and hot water rates — 153 million zlotys

increase in gas rates — 294 million zlotys

increase in electricity rates — 962 million zlotys

total — 2,774 million zlotys.

The added expenditures to be borne by the employees of the socialized economy have been more than compensated by a lowering of the income tax scale, by an increase in the monetary equivalent for coal allowances, by a 50-zloty increase in the minimum wage, that is, to 750 zlotys per month, by an increase of 30 zlotys a month in the tax-free wages, and by an increase of 20 zlotys a month in pensions.

Annually, the various items of compensation come to the following:

The reduction of the income tax scale means a net wage increase of about 27 zlotys a month for about 6,900,000 employ-

ees, which increases the total earnings by about 2,230 million zlotys. The increase in the minimum wage and the related rise in wages which do not differ much from the minimum, involving altogether about 580,000 persons, increases their earnings by some 250 million zlotys. The rise in earnings as a result of the increase in the monetary equivalent for coal allowances not taken in kind and in the coal allowance in the textile and clothing industries, after deduction of income tax owing to the increased value of the coal allowances, comes to about 335 million zlotys net. This concerns about 3,200,000 employees almost all of whom also come under the new income tax scale. The increase in wages not subject to income tax gives a sum of about 60 million zlotys for some 160,000 employees. The increase in pensions for more than a million pensioners means an expenditure of about 247 million zlotys by the state. The gross total of compensation to working people and pensioners will come to some 3,122 million zlotys a year.

This means that the compensation exceeds by 348 million zlotys the added expenditures to be borne by the employees of the socialized economy and by pensioners as a result of the increase in the prices of fuel, and the rates for central heating, gas and electricity. The excess of compensation over these expenditures calculated for all working people and for the pensioners receiving the compensation, gives an average of 3.3 zlotys a month increase in income per employee and pensioner. The price and rate increase, therefore, has not resulted in a decrease in the purchasing power of the working people but, as a result of higher compensation, has even raised this purchasing power somewhat.

Such is the picture as far as the working people as a whole are concerned. However, it is a different story when viewed from the angle of the individuals who make up this whole.

If we look at the matter from this angle, then, as I said

at the beginning and as is generally known, some profit and others lose by this change in prices and wages.

Who profits, who loses, and why?

In principle, the thing boils down mainly to three factors. Firstly, there is the size and equipment of the dwellings occupied by individual families or individuals. Secondly, there is the number of persons in one family who are employed. Thirdly, there is the question of whether or not coal allowances are received and if so, the amount of these allowances.

I shall first point to the factors which make for categories of persons who profit from the changes in prices and wages.

I shall start with those who receive hard coal allowances and as an example I shall take a miner.

Before the increase in coal prices, the earnings of a pit worker receiving 6 tons a year in coal allowance in kind and 2 tons in monetary equivalent, amounted, in 1962, to 3,098 zlotys a month before deductions, if the value of the coal allowance received in kind or in monetary equivalent is added to his pay. The tax on this came to 393.70 zlotys. His net earnings therefore came to 2,704 zlotys and 30 groszy, of which in cash — 2,579 zlotys and 30 groszy. In connection with the increase in the coal prices the value of 6 tons of coal allowance increases by 1,500 zlotys a year, that is, by 125 zlotys a month, and the value of the monetary equivalent by 400 zlotys a year, that is by 33 zlotys a month. This automatically raises the monthly gross wages from 3,098 zlotys to 3,256 zlotys. The tax on these new earnings comes to 399.20 zlotys and therefore, the net earnings amount to 2,856.90 zlotys of which 2,606.80 zlotys is in cash. In this example the earnings of the miner increased by 152.50 zlotys (including 27.50 zlotys in cash) as a result of the compensation for the rise in prices. The flat of this miner does not, of course, have central heating or gas. Otherwise, he would not receive such a high coal

allowance. He only has electric lighting. On the assumption that in this home 30 kw-h of electricity is used a month, the charge for this amount will increase in Katowice Province by 9.30 zlotys and in Cracow Province by 14.10 zlotys. The clear surplus of the compensation over the added expenditure will amount to 18.20 zlotys a month in the first case and 13.40 zlotys a month in the second case.

A second example.

A worker in the metal or chemical industry receives $2\frac{1}{2}$ tons of coal as an allowance in kind. His previous gross monthly earnings amounted to 1,750 zlotys and his net earnings 1,639.80 zlotys. 1,587.80 zlotys of this being in cash. The rise in coal prices increased the value of his coal allowance by 52 zlotys a month and, therefore, his new gross earnings will be 1,802 zlotys and net earnings 1,717.40 zlotys a month, 1,613.40 zlotys of this in cash. The compensation which he receives in cash for the rise in prices therefore amounts to 25.60 zlotys a month. Assuming that he uses in his home 30 kw-h of electricity a month and pays for it at the new rate, he gains 11.50 zlotys a month from the compensation.

If in the family of the worker in both examples there is another person working or a pensioner, the greater part, if not all, of the compensation received by these persons will increase the family income.

The change in prices and wages is also profitable for those who do not receive coal allowances but live in the countryside, in a family possessing a farm which supplies the state with livestock under contract or sells non-contracted livestock to the state. I have in mind the so-called "worker-peasants." In purchases of hogs under contract the state sells the supplier 4 kg. of coal for every kg. of livestock or pays a monetary equivalent, whereas for non-contracted purchases it supplies 2 kg. of coal. In connection with the increase in the price of

coal there has been a corresponding increase in the price of livestock. If such a farm does not have electricity, and 36 per cent of the farms are still of this type, the compensation received by the family member working in the socialized economy and living on this farm constitutes additional income. In the given case he gains about 27 zlotys a month.

The socialized economy employs about 1 million so-called worker-peasants. If not all, then at least the overwhelming majority of them gain on the compensation for the price increases.

The compensation also means gains for a considerable proportion of workers who live in towns, especially in smaller homes, in which there is no central heating and one of the working members of the family gets a coal allowance, even if only a small one, or if in the family two persons are employed even though neither of them receives a coal allowance.

Of the 7,550,000 persons constituting the total labour force employed in the socialized economy in 1962, about 2,700,000 receive a greater or lesser coal allowance in kind or monetary equivalent, and some 500,000 textile employees and clothing workers receive a so-called fuel allowance. All of these allowance recipients can, in general, fully satisfy their fuel needs with the amount of coal received as a coal allowance in kind or by that part of the compensation which they receive in monetary equivalent for the coal allowance or as a fuel allowance. From the examples cited so far it is obvious that in the case of the larger coal allowances there are considerable gains from the compensation. Only an insignificant proportion of the working people who receive coal allowances may suffer a certain loss owing to the changes in prices and wages. This is particularly true of those who receive small coal allowances and live in large homes. In principle, however, those who receive

coal allowances gain to a greater or lesser degree from the compensation received.

Families in which more than one person works in the socialized economy or which have a pensioner also gain. Assuming that two persons in the family work and the coal allotment for the family is $1\frac{1}{2}$ tons per year we have the following account: The monthly compensation for the two persons working is about 54 zlotys, the increased coal costs, taking the average increase in coal prices by 232 zlotys a ton, come to 29 zlotys a month; therefore, 25 zlotys is left for electricity. The surplus of the compensation depends on the amount of electricity used in the home. If we assume, therefore, that for lighting purposes an average of three 40-watt bulbs are used for 5 hours a day over the entire year, the consumption of electricity will come to an average of 18 kw-h a month; with the increase in the electricity rates by 48 groszy per kw-h this increases the expenditures for lighting by 8.64 zlotys a month. If we add the electricity consumed by a 40-watt radio which, operating for $3\frac{1}{2}$ hours a day throughout the entire year, consumes slightly more than 4 kw-h a month, the expenditure on this account increases by about 2 zlotys a month. If the family has an electric washing machine drawing 300 watts which is in use for 100 hours a year, thus consuming 30 kw-h during this time, it increases the electricity expenditure by an average of 1.20 zlotys a month and if the washing machine has an 1800-watt heater this expenditure will increase to 7.20 zlotys a month. Under the conditions presented the total consumption of electricity will come to 37 kw-h a month which, with the rise in electricity rates, will increase the expenditures by 18 zlotys a month. If we add to this the increased coal costs — 29 zlotys a month — the total increase in expenditures comes to 47 zlotys a month which, with the compensation received

by two persons in the family amounting to 54 zlotys a month, yields a net balance of 7 zlotys a month for the family.

A similar calculation for a family in which only one person works shows a loss of 20 zlotys a month. This loss drops to 13 zlotys a month if the family does not have a washing machine or drops to slightly more than 14 zlotys if the family does have a washing machine but without a heater. Under conditions when the family does not have any electrical appliances outside of a radio and buys only one ton of coal a year the loss decreases to 4 zlotys a month.

In general, all families in which only one person works and which have no coal allowance lose on the change in prices and wages. The loss increases if the family has a home with central heating and gas. Let us look at the example of a home with 45 square metres (485 sq. ft.) of living space.

At the previous Warsaw rate, that is, 1.71 zlotys per sq. metre of floor space heated, the monthly bill for central heating came to almost 77 zlotys. Assuming, offhandedly, that the central heating rates will be lower in Warsaw than the national average and, for example, will come to 43 per cent, we get an increase of 33 zlotys in the monthly central heating bill. Let us assume that in this home 36 cubic metres (1,271 cu. ft.) of gas are used a month, then the rise in gas rates from 50 groszy to 90 groszy per cubic metre increases the expenditures by 14.40 zlotys a month. Let us figure that for lighting and the radio the family uses 20 kw-h of electricity a month; with the rise in electricity rates we get an increase of 9.60 zlotys in expenditures. The total increase in expenditures, therefore, comes to 57 zlotys a month, and the net loss is 30 zlotys a month. With two persons working the loss drops to 3 zlotys a month.

Let us assume that the family in this home has an electric washing machine with heater and a TV set. As we already know

the cost of operating the washing machine has gone up by 7 zlotys a month owing to the increase in electricity rates. A 200-watt TV set used for an average of 3 hours a day requires about 18 kw-h a month for which the family will have to pay extra almost 9 zlotys a month. The washing machine and TV set, therefore, have increased the electricity bill by 16 zlotys a month; in other words, with one person working the family losses have increased to 46 zlotys a month. If two persons work the loss drops to 19 zlotys a month.

Let us assume further that there is a 120-watt refrigerator in the home. It uses about 600 kw-h a year, which comes to 50 kw-h a month, and this increases the electricity bill by 24 zlotys. The losses therefore have increased to 70 zlotys a month and with two persons working, to 43 zlotys a month. The extent of the losses grow with the amount of electricity used by the family.

In larger homes with central heating where, in addition, electricity and gas are used not too sparingly, the compensation for the rise in prices covers only a small part of the increased expenditures. For 100 sq. metres of floor space heated, the charge for central heating goes up by 74 zlotys a month. If an average of eight 100-watt bulbs burn for 5 hours a day in the home, the bill goes up by 58 zlotys a month. If the TV set is in use for 6 hours a day the bill goes up by 18 zlotys a month. If during the month about 100 cubic metres of gas are used the bill goes up by 40 zlotys. If we add to this the sum of 50 zlotys as added expenditures for other electrical appliances such as refrigerator, washing machine, vacuum cleaner, radio, kitchen mixer, etc., the total increase in expenditures will be 240 zlotys a month. This compares to a compensation of 54 zlotys if two persons in the family are working or 27 zlotys if only one person works. If this person

earns more than 5,000 zlotys a month no compensation is received.

As we see, the largest losses are incurred by persons who live in large, comfortable flats and have various electrical household appliances. In 1962, the proportion of homes with central heating, situated in towns and settlements throughout the country, was, as I said before, 16 per cent, and in Warsaw 44.8 per cent. In the whole country 37 per cent of the homes (in towns and settlements) have gas and in Warsaw 59.6 per cent. Warsaw, therefore, has a large percentage of homes with the highest standard of facilities. For that reason Warsaw does not gain but loses on the change in prices and wages. This does not mean that all lose. I have already pointed out that gains are made above all by those who get coal allowances, who do not have very large homes, and, in this last case, by families which do not have a member receiving a coal allowance but which do have two members working. All told, however, the extra expenditures incurred by working people in Warsaw exceed the gross compensation coming to them.

According to estimates, on the assumption that the increase in central heating charges will not exceed 43 per cent, the total extra expenditures to be borne by Varsovians as a result of the increases in the prices of coal, coke, gas and electricity and central heating will amount to about 325 million zlotys and the total compensation 214 million zlotys a year. This means that the average monthly loss incurred by each employee residing in Warsaw, including pensioners, will come to 16 zlotys.

These losses can be considerably reduced by a more thrifty use of electricity and gas. The consumption of electricity per household in Warsaw came to an average of 41 kw-h a month in 1955 and to 58 kw-h in 1962, thus increasing by 41 per cent. Calculated on the basis of consumption per resident, in

1961 Warsaw households used 18 per cent more electricity than those of Cracow. The percentage of homes in both cities with gas is comparable: in Warsaw it is 57.4 per cent and in Cracow 57.3 per cent. In 1961, gas consumption in households in Warsaw, which was 69 cu. metres per household with gas, was higher than in other cities: 39 per cent higher than in Poznań and 35 per cent higher than in Łódź. As can be seen from this, Varsovians, who are certainly better off, use more electricity and gas — which, until recently, were supplied by the state at losing prices — and, therefore, enjoy a higher standard of living in this respect.

In general, all persons occupying well-equipped dwellings incur losses as a result of the changes in prices and wages. The extent of the losses, as I have shown by means of examples, varies considerably. It can be said that the degree of the losses is closely connected with the level of the earnings of the persons occupying the flats. Whoever earns less as a rule saves electricity and gas, cannot afford a TV set and, even less so, a refrigerator, and generally lives in a modest home. Whoever earns more, especially those whose earnings exceed 5,000 zlotys a month, can afford to furnish their homes with all sorts of appliances and equipment which facilitate housework and make life pleasanter but consume a lot of electricity.

There is nothing wrong in this. We are striving for every working person to be able to have such a home and such appliances and equipment. Everything would be fine if the state would not have to pay out money on behalf of those who have such appliances and equipment, thus on behalf of the best paid people. The fact that before the increase in electricity rates the state subsidized each refrigerator owner by about 160 zlotys per year and every TV owner by 150-200 zlotys a year in the form of supply of electricity below production costs is hardly in the spirit of social justice. The same can be said of

cases where, instead of using normal illumination in the flat or room — two, three, or four 40- or 60-watt bulbs — someone, who usually says that he “likes the home to be bright,” uses 100-watt bulbs and keeps them on in the entire home regardless of need. For such waste this person used to receive a bonus from the state coming to about 200-300 zlotys a year in the form of subsidies to unnecessarily consumed electricity. At present, if he does not want to save on lighting he will at least have to bear the cost of his wastefulness.

State subsidies do not come from the pocket of the Minister of Finances. They come from the social pocket, from the pocket of every working person, from the national income produced. If the entire population or its majority benefits from state subsidies they can be justified in certain cases. For example, the state subsidizes bread at the rate of about 2,250 million zlotys a year. But this subsidy has a profound social sense. The point is that even the lowest paid working people and their families should not suffer from a lack of bread. The state also subsidizes each litre of milk sold in the socialized trade network to the tune of 45 groszy. This subsidy, too, is justified by social considerations. The idea is that families with many children should be able to afford to buy milk. Bread and milk are bought by everyone, therefore everyone benefits from the state subsidies for these articles.

It is a different story if the state subsidizes the use of refrigerators and TV sets by persons who own those appliances. About 320,000 families own refrigerators in Poland, 80,000 of them in Warsaw, and we have more than a million TV owners in the country, of which more than 120,000 are in Warsaw. State subsidies for the use of these appliances are unjust, above all because they concern persons who are not badly off, in other words, are made at the expense of persons earning less than the owners of these appliances.

The question of subsidies for central heating and gas is somewhat different, but also presents itself in a similar fashion. A small percentage of working people throughout the country benefit from the subsidies, but in Warsaw it involves 50 per cent. Central heating and gas are a great convenience for the tenants, especially for the housewives. But at the same time it is an expensive business. Before the increase in prices the share of fuel costs and the total costs of central heating in the municipal central heating enterprise in Warsaw comprised 35.6 per cent. All the rest consisted of wages, amortization and other costs. Before the increase in prices the state subsidy to the cost of heating one square metre of floor space in Warsaw dwellings administered by the state came to about one zloty per square metre per month. If, however, at present the charges will go up by about 43 per cent, there will still be a subsidy of 25 groszy per square metre, which, with the present amount of floor space with central heating, will come to 16-17 million zlotys per year. Actually, the state subsidy for central heating is in the nature of an addition to the salaries and earnings of those employees who benefit from central heating. If, however, an employee with a home with central heating and a floor space of, say, 50 sq. metres, and another employee with the same qualifications and earnings lives in a home without central heating, the state subsidy to the earnings of the first employee by way of subsidies for the central heating in his home came to about 50 zlotys a month before the increase in prices. Assuming at the same time that the employee also used gas at the rate of 70 cubic metres a month, the state subsidy for gas came to about 27 zlotys a month, and therefore, the total subsidy for central heating and gas amounted to 77 zlotys.

In the second case, namely when the home of the employee had no central heating and gas, assuming that the home used 2,800 kg. of coal per year in keeping with the binding norms,

the state subsidy for the coal costs amounted to 38.5 zlotys a month.

After the increase in the price of coal the state will no longer subsidize the heating of homes which use stoves for this purpose. But there will still be a state subsidy for central heating, although it will now be smaller. With a 43 per cent increase in the central heating charges, in the case of the aforementioned example the state subsidy will be about 12.50 zlotys a month. In actual fact we have here a case of unequal pay for the same work. An increase in the charges for central heating reduces inequality but does not eliminate it.

Looking this way at the losses which persons living in homes with central heating will suffer owing to the changes in prices and wages, we cannot deny that there is good reason for these losses. The sum which they have lost has gone to employees who do not have homes with central heating. If one were to assume that the wage fund of every work establishment was increased by the amount of money used by the state to subsidize that part of the employees of the given enterprise who have homes with central heating and gas and, at the same time, to ask those employees of that enterprise whose homes do not have central heating whether that sum is to be allocated as wages for all the workers or for housing subsidies for part of the employees, the answer would be unanimous — let everyone fully cover the heating cost of his own home.

The building of Socialism in our country is at a stage governed by the Socialist principle — to each according to his work. When we reach Communism there shall be the principle — to each according to his need. Everyone would like to have a comfortable home. Unfortunately, not everyone can today have such a home. Those who do have them will now bear the costs, although not in full, of the central heating of their homes. And that surely is just.

We have not resorted to an increase in central heating charges to the extent which would fully eliminate the state subsidies because also employees with average wages, and even below the average rate of wages, have homes with central heating. Such an increase would be too great a burden on their family budgets. Moreover, the costs of central heating will be reduced after heat from the thermal electric station at Siekierki is connected to Warsaw's heating network, as this will make it possible to eliminate most of the housing estate boiler houses in which the heating cost is high.

So far, there has been no final decision with regard to central heating charges for occupants of tenant cooperative homes in Warsaw. About 25 per cent of the floor space of these homes is heated by the municipal network at the same rates as homes administered by the People's Council. The other flats are heated by their own cooperative boiler houses where the average heating cost per square metre in cooperative homes is about 2.90 zlotys. The rise in fuel costs will increase this rate considerably. Moreover, members of tenant housing cooperatives have other charges which are not borne by tenants of homes administered by the People's Council.

In this situation there is need for assistance to tenant housing cooperatives. This matter is now under study. Tenant cooperatives should continue to have favourable conditions for development.

Comrades,

The figures and facts which I have presented show, firstly, that the increase in the prices of fuel and in charges for central heating, hot water, gas and electricity rates is fully justified; secondly, that the compensation awarded to the people working in the socialized economy exceeds, on a national scale, the extra expenditures they will bear as a result of the increased

prices and charges, thirdly, that some have gained and others have lost from the change in prices and wages; fourthly, that the redistribution of the total amount of compensation among the working people is in accordance with the principle of just division of the national income intended for consumption; and fifthly and finally, that the leadership of the Party and the government, in deciding on this change in prices and wages, were guided by a profound concern for an improvement in the fuel balance and the development of the entire national economy, and hence, acting in the interest of all working people.

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The first, automatic reaction by part of the population to the changes in prices and wages was marked by disorientation and dissatisfaction, which internal and external opponents of our system, enemies of Socialism, did not hesitate to exploit. There are quite a few of them in our society. Our social system cannot be to the liking of former exploiters of the working people, to former landowners, factory owners, wholesalers, etc., and also to the whole flock of middle class people who, at one time, under the capitalist system, were fairly well off at the side of the propertied classes. These people have not disappeared from our life. They exist and they act. Lies and falsities also flow into our country on the air waves from capitalist radio stations.

From these circles and sources came a stream of hostile propaganda, trying to exploit the situation and the dissatisfaction of part of those employees who suffered some losses as a result of the change in wages and prices. For example, the hireling of imperialist propaganda bathed in lies when, on the air waves, he tried to talk our population into believing — and this was repeated after him by the chorus of voices of various types of reactionaries in the country — that the government had deceiv-

ed the working people when the Chairman of the Council of Ministers said on its behalf in the Sejm that the compensation for the increase in prices exceeds the extra expenditures borne by them because of the increase; but this lie claimed its victims, especially among those who indeed lost by the change in prices and wages. In many factories workers asked: "Where were the trade unions? Why did the Central Council of Trade Unions agree to such changes in prices and wages which worsen the living standard of the working class?" There were even Party members who said: "If this is necessary for the country, if the situation requires it, then we will accept a decrease in wages without complaint, but why aren't we told the truth?"

The lies of enemy propaganda caught on. They found many victims among honest people who as a result of this themselves became unknowingly disseminators of this reactionary propaganda.

In Greek mythology there is the story about the Sphinx, who was on a cliff beside a road, setting all passers-by a riddle and devouring those who could not solve it. When the Sphinx came across a passer-by who solved the riddle asked of him, she hurled herself from the cliff and the area was delivered.

It was a similar story with the people who, as a result of their ignorance of the essence of the changes in prices and wages, fell victim to hostile anti-Socialist propaganda. Wherever this happened the Party organizations and committees are not blameless. For wherever the Party explained this matter properly the Sphinx of lying reactionary propaganda could not rule on its cliff and was immediately overthrown.

The enemies of Socialism have their objectives and we have ours. Their task boils down to sowing unrest among the people, undermining their confidence in the Party and the government, and strengthening the positions of imperialism and capitalism in the international arena. Our task, on the other hand, is to

further the construction of Socialism, to draw the working class and all working people into participation in this regard, and to strengthen the forces and the importance of the Socialist camp in the world. Therefore, the building of Socialism takes place under conditions of a political and ideological struggle with the internal and external enemies of Socialism. In this struggle we use the truth, our Socialist idea. The enemy, on the other hand, seeing no prospects for himself, shrinks from nothing in the way of means of struggle, resorts in his propaganda to lies and deception designed to discredit Socialism in the eyes of the less conscious part of the population and exploits for that purpose every opportunity and every difficulty which appears in our difficult road of rapid, Socialist economic expansion of the country. That is how it was yesterday, that is how it is today and that is how it will be tomorrow. It cannot be otherwise. The enemy would not be an enemy if he did not do this. Likewise, the Party would not be a party if it did not fight against him.

There is never a vacuum, a void, in political life, nor in the ideological consciousness and understanding of the nation, the working class, the intelligentsia, collectives of working people, and every person. If the Party does not work in this field, or if it does do enough in this regard, it leaves the field open to the enemies of Socialism, to the class enemy and his bourgeois ideology.

It is generally known, since we speak of this openly, that we have difficulties in the economy, difficulties due above all to objective causes. The poor harvest last year compelled us to increase the import of grain and fodder. In order to obtain the means for this import we had to increase exports of materials and raw materials which our industry needs and, as a result, we were compelled to slow down temporarily the rate of industrial development. And immediately our enemy raised the

hue and cry: "The Polish economy is experiencing a serious crisis," "Socialism in Poland is going bankrupt." As a result of the poor harvest of vegetables and fruits their prices went up. This is a normal, unavoidable occurrence. Hostile propaganda immediately exploits this for its own purposes. The mouthpieces of imperialism bark over the air waves: "Prices go up in Poland; wages of employees drop."

Many centuries ago, in "pagan" times, people had all sorts of deities, among them also a god of harvest. If the year was one of bad harvest some people whipped this god with canes thus punishing him for not carrying out his duties. At present, reactionary propaganda reasons this way: "God gave a poor harvest, prices went up, the government should therefore raise wages."

The struggle between Socialism and capitalism is raging on a world scale. As a result of the growth of the world forces of Socialism, many nations have thrown off the colonial yoke and won their independence. This had weakened the forces of imperialism. All of our sympathies are on the side of the nations liberated from colonial enslavement. However this is not to the liking of the reactionary obscurant. He therefore puts out the story: "The government is not giving a wage increase because it gives big credits to the countries of Africa and Asia." We would be very happy if we would give substantial assistance to these countries. Unfortunately, our debt to other countries is tens of times greater than the amount of the credits we have given to other countries. The hard winter caused fuel difficulties. The same obscurant exploits this fact and proclaims: "We do not have coal because the government is shipping coal to Cuba," etc.

The objective of our enemies — opponents of Socialism — is to create in our society an atmosphere of mistrust in Socialism, to weaken morally the creative forces of the working class, the working intelligentsia and all working people, and to

undermine the confidence in the Party and the government. They know that the overcoming of the difficulties in our economy, stemming from sources of which we have spoken on many occasions in public, depends in the first place on the attitude of the working masses, on their adherence to Socialism, and on their devotion and effort on the production front.

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The front of material production determines the victory on all fronts of our work and struggle. This year, on the industrial production front we have planned only a 5 per cent increase. After the poor harvest of last year we counted on this year bringing a bigger harvest. It was on that basis that we planned to allocate about 1,500 million zlotys for an increase in wages of a number of categories of employees. This plan has to a great extent been thwarted by this year's extremely hard winter which caused much damage and losses to the national economy. Of this sum, by virtue of a decision taken at the beginning of the year, we have already spent more than 800 million zlotys for this year, first and foremost for an increase in the wages of railwaymen. We have been compelled to withhold decision with regard to the rest of the money.

The list of losses incurred by our national economy as a result of this winter is serious. The operative industrial production plan for the months of January and February has been fulfilled only by 97.5 per cent, even though the operative plans for many enterprises were substantially reduced in comparison with the targets envisaged by the annual plan. During these two months industrial output was barely 0.4 per cent higher than in the corresponding period of last year. The losses suffered by industrial commodity production during this period as a result of the hard winter represent a value of about 3,550 million zlotys.

Despite the failure to fulfil the production tasks, the wage fund has been substantially surpassed, especially by building enterprises. The increase in the wage fund in relation to the level which would be warranted by the volume of production, is estimated in industry at about 600 million zlotys and in the building trades at about 1,000 million zlotys.

In January and February the value of the basic production of the building enterprises constituted 6.3 per cent of the annual plan whereas personnel wages paid out amounted to 12.6 per cent of the year's wage fund. This was to a great extent a result of the increased labour required for production owing to the conditions of this year's winter, for example, in the unloading of railway wagons and additional employment of workers in removing snow, and also as a result of payment for time when work was halted, paid holidays, etc. This does not change the fact that production was reduced and the wage fund increased, which means that the labour productivity in industry and the building trades decreased.

Part of the losses in industry can be made up. The workers of many enterprises have already undertaken this task and are carrying it out. For example, in March the enterprises run by the Ministry of Heavy Industry recouped more than 300 million zlotys of losses and the enterprises of the Ministry of the Chemical Industry about 160 million zlotys. Some of the losses it will be impossible to make up.

The extent of the losses in agriculture still cannot be estimated today. In a number of regions of the country they are serious. Part of the winter crops have been lost, for example, about 30 per cent of the acreage under rape seed must be reploughed. It is difficult at this time to determine the extent of the losses suffered by fruit trees and other plants. The prospects of this year's harvest in agriculture are also darkened by the

delayed spring and the night frosts which have appeared until recently.

This winter dealt our economy a number of other losses. Thus, for instance, industry used about 700,000 tons more coal than usual, and transport about 500,000 tons. The increase in the use of coal by the population and institutions is estimated at about half a million tons. This increased consumption of fuel compelled us to reduce by one million tons the planned exports of coal to capitalist countries.

It is becoming clear to everyone that, in this situation, no increase in wages can be given if the equilibrium between the purchasing power of the population and the volume of commodities on the market is not to be upset. And this we want to prevent at all costs. If in the second half of the year it turns out that the losses resulting from the failure to fulfil the production plans in industry have been made up and that the crops in agriculture reach a level foreseen in the plan, then it will be possible to use the rest of funds which we planned for an increase in wages this year.

Under other conditions there will be no such possibilities. There may, therefore, be a situation that, just like last year, this year too real wages will not be increased. This, however, is not equivalent to non-improvement in the living conditions of working people.

Last year, the regular wage fund in the socialized economy was up by 7.4 per cent over 1961. At the same time there was a 3.8 per cent increase in employment. The nominal gross monthly wage went up on the average by 3.7 per cent. To this should be added the payments not covered by the wage fund, that is, payments from the works fund, the special wage fund, family allowances and sickness benefits, pensions and other payments not covered by the wage fund. If these payments are added to the wages, the total sum of the nominal income of

the population drawing a livelihood from the socialized economy went up last year by 7.1 per cent as compared with 1961 and, allowing for the increase in living costs, by about 4 per cent.

The rise in employment in the socialized economy over and above the planned figures prevented an increase in real wages; however, as a result of this increase and as a result of the increase in payments not covered by the wage fund, the average real income of families living by work in the socialized economy therefore increased last year by 4 per cent. Hence, the allegations about the worsening of the living conditions of working people are groundless.

This year too employment has been exceeding the level provided for by the plan. This increases the income of families but, at the same time, indicates that the tasks with regard to increasing labour productivity have not been fulfilled.

The state expenditures for social and cultural services, that is, for the health service, education, schools, etc., are growing at a much more rapid rate than the national income. Last year, the budgetary expenditures for these purposes increased by 12 per cent over 1961; of this figure, current expenditures for health protection and social welfare accounted for an increase of 13.8 per cent. The rate of increase of current budgetary expenditures for social and cultural services can be seen still better over a longer period of time. In the years 1955-1962 these expenditures rose by 239 per cent and, of this, expenditures for health protection and social welfare throughout the country — by 290 per cent. In Warsaw, for example, the number of physicians and surgeons went up from 2,714 in 1955 to 4,961 last year. Over these same years the number of nurses rose from 3,669 to 5,851.

Doctors, nurses, teachers and other workers employed in social and cultural services are indispensable to the community. But the funds for maintaining them must be produced

in the sphere of material production. Most of the persons employed in this sector do not receive high salaries, but in connection with the situation in industry and agriculture described by me earlier, we are not in a position at present to raise these earnings.

Under our Socialist system the road to further improvement of the wages and living conditions of the working class and of all working people is always one and the same — increased production, lower production costs, higher productivity and technological progress. There are great possibilities in our economy — in our industry and agriculture — to achieve all this. Our Party is constantly pointing to the need of utilizing these possibilities. Everything depends on people, on their initiative, on their interest in the welfare of the community.

Let everyone analyze the economy of his place of work. Let the workers' self-governments together with the management of the enterprises analyze the handling of materials, production shortcomings, inventories, losses of heat because of a lack of insulation, utilization of machinery, especially unique machines, and organization of the production process — in a word, everything which goes to make up the production costs — and they will find greater or lesser possibilities for reducing costs everywhere. I shall point out here only one example which illustrates the harmful conservatism and lack of attention to production costs.

The resolution of the 10th Plenum of the Central Committee of our Party called on the enterprises to use universal composite tools. This makes it easier to speed up start-ups and considerably reduces their costs. The use of universal composite tools permits a reduction in the number of highly skilled workers in tool rooms, of whom there is a shortage everywhere. The average time for designing and making a special tool in a machine shop is about 80 hours and the average time of

assembling a universal composite tool amounts to about 8 hours. In April of last year, a centre for the assembly and rental of universal tools was opened in Warsaw. By the end of February of this year this centre had received orders for only about 120 tools and is being utilized at a rate of merely 10-15 per cent.

The workers' self-governments of Warsaw enterprises should find out who in their factories is responsible for ignoring this form of technical progress that has been widely adopted in other countries.

It is also possible to point to examples of valuable initiative resulting from concern for our economy. The workers of many enterprises have taken concrete steps to increase production for export and production to replace imports. An expression of this was the Katowice exhibition of industrial products imported and exported by various industries in Katowice Province. As a result of this exhibition the management and workers' self-government of enterprises in this province undertook pledges and introduced into their plans additional production for export and to replace import to the tune of more than 100 million convertible zlotys. Ten days ago a similar exhibition was again opened in Katowice, this time with the participation of enterprises run by the various Ministries. It is important that representatives of the managements, together with representatives of the workers' self-governments of the enterprises of the entire country, including Warsaw enterprises, go to his exhibition with the intention of selecting for themselves additional production for export or the manufacture of products which we have been importing until now. Let us remember that our economy and its development are greatly dependent on foreign trade.

Comrades,

For more than 18 years now we have been proceeding with Socialist construction. During this time we have always en-

countered one or another obstacle and difficulty on our creative road for the economic expansion of the country, for creating a new life, for building Socialism. We have always spoken frankly about these difficulties to the working people and to the entire nation. Yet, despite these difficulties, our country has developed at a rapid rate. Its industry has grown, science, education and culture have advanced, agricultural production has increased, our entire life has developed in every direction.

The living standard of the nation has risen to a very great extent. Today, too, we speak of difficulties. But wherever we look something is changing: new factories, new homes, new schools, hospitals, roads, various centres of culture and rest are coming into being; with each passing year we have more and more engineers, technicians, doctors, agronomists, specialists in various fields, and the number of skilled workers keeps on increasing. We have more and more scientific workers. An increasing proportion of young people is attending institutions of higher learning as well as secondary and vocational schools. Life is surging and pulsating in our country. And again as always, we are speaking of difficulties. We are not inventing them, we are speaking the truth. These difficulties do exist. They stem precisely from the rapid rate of development of the country.

Year after year we keep increasing capital investments. For we must provide new places of work for the young generation. We have to create today a production base which tomorrow again will raise the living standard of the nation and our country to new heights, we have to ensure Poland's place in the world.

We speak of these difficulties in order to mobilize the working class and all working people to overcome the hardships, in order to rally them for new tasks. After all, everything that our country has achieved is the accomplishment of the working people. Our Socialist system liberates the enormous creative

energy of the working class, of the working masses. For everything which people create, they are creating for themselves. The people and only the people are the owners of the fruits of their labour. The work of the people, the construction of Socialism, is being guided by the Party, the vanguard of the working class, the Party of the working people, our party. The fruits of 18 years of work by the Polish people, work on the construction of Socialism in our country, indicate that their work was well guided by the Party.

Current difficulties have never obscured our prospects for tomorrow. And they do not obscure them today. The prospects for the development of Poland were clear yesterday when our country was in ruins and ashes and are ever clearer today when it is in full blossom. And when a few years from now we turn back again to look at the road we have travelled we shall see behind us the new splendid fruits of our labour.

Comrades,

In two weeks the working people will be celebrating their holiday — May Day. We shall go out into the streets of Warsaw, the working masses all over the country shall go out into the streets of their towns in order to pay tribute to labour, to proclaim their attachment to the great cause of Socialism, to emphasize their firm determination to advance the cause of Socialist construction in our country, to demonstrate their unity with the great family of peoples of the Socialist states and their solidarity with the international workers' movement, to reiterate their determination to fight for peace.

Let May Day become an expression of the unity of the nation, of its enormous, indefatigable vigour and determination to overcome all obstacles hindering the rapid development of our Socialist fatherland.

EDWARD GIEREK

Member of the Political Bureau of the CC of the PUWP

First Secretary of the Katowice Provincial Committee of the PUWP

SPEECH DELIVERED AT THE FOURTEENTH CONGRESS OF THE COMMUNIST PARTY OF BELGIUM

APRIL 14, 1963

Dear Comrade Delegates!

In the name of the Central Committee of the Polish United Workers' Party, in the name of the working masses of our country, I wish to extend the heartiest proletarian greetings to your 14th Congress. Through your Congress we likewise extend cordial greetings to the Belgian working masses who are fighting for their vital interests and also for social progress and peace.

Our Party is fully aware of the difficult conditions and the complicated political and economic situation in which you have to develop your activity. This is all the more reason for us to rejoice in the achievements of your Party, in the growth of your ranks, in the strengthening of your bonds with the masses — all this thanks to the development of a common front of the Belgian working masses in the struggle to check the power of native and foreign monopolies. We follow with interest your ideological discussions, in which you take up problems of structural transformations, your attitude toward the supranational organizations of the Common Market, and your pursuit of new forms of struggle.

I am happy to note the complete identity of views held by both our parties with respect to the fundamental problems of our epoch — such as general disarmament and peaceful co-

existence, as well as in the matter of tightening the unity and cohesion of the international Workers' and Communist movement.

Dear Comrades!

The most important question, not only for the Communist movement but for all of humanity and the future of civilization, is that of the triumph of the idea of peaceful coexistence, the sole idea capable of preventing the menace of a thermonuclear cataclysm. Communists may well be proud of the fact that their banner is emblazoned not only with the slogan for the abolition of exploitation of man by man, but also because they are marching in the front ranks of the defenders of life and peace on our planet.

As was shown by the events in the Caribbean in the autumn of last year, the farsighted and flexible policy of the Soviet Union, and of Comrade Khrushchov personally, saved the world from a nuclear war and restrained imperialist aggression against Cuba.

The policy of peaceful coexistence of states with different social systems made it possible for hundreds of millions of people to begin identifying peace with Socialism. For Communists, for all of mankind there is no other alternative to the policy of struggle for peace, for peaceful coexistence of the two systems.

The economic power of the Soviet Union and other Socialist countries is growing. The colonial empires are disintegrating. Hundreds of millions of citizens of the new Asian and African countries and the aroused peoples of Latin America are joining in the struggle for peace and social progress.

All this allows us to say that in view of the tremendous changes in the world with respect to the relation of forces between Socialism and capitalism, thermonuclear war ceased to

be inevitable. There now exist possibilities for completely eliminating it from the life of nations.

Imperialism, despite its intentions to thwart the development of Socialism, can no longer decide at will about war or peace.

And yet, if the world is to finally free itself of the nuclear threat, it is necessary to proceed without delay to resolve, by way of negotiation, controversial international issues. The road to lasting peace is through general and complete disarmament.

This is no easy matter to accomplish, seeing that the governments of the Western powers keep sabotaging the disarmament conference.

Thus, it would seem that the only way to reach general disarmament is by progressive stages, like the prohibition of testing of nuclear weapons, abstention from increasing the number of states possessing atomic weapons, liquidation of foreign military bases on the territories of other states, and conclusion of an agreement to prohibit the use of weapons of mass extermination.

An important step toward lasting peace would be the conclusion of a treaty of non-aggression between the members of NATO and the member-states of the Warsaw Pact, the recognition of the present frontiers of both German states and the



EDWARD GIEREK

acceptance of our country's proposal for the creation of an atom-free zone in Central Europe.

The Polish nation, which suffered so much from Nazi crimes, is particularly interested in a peaceful, realistic and lasting solution of the German problem. We look with alarm on the rebirth of aggressive imperialism in the German Federal Republic. The Bonn militarists are advancing slogans of revenge and territorial claims against Germany's neighbours, and, at the same time, are trying to assure themselves of economic and military hegemony in Western Europe.

Hitler's generals in the Bundeswehr are doing everything possible to obtain the keys to the nuclear weapon and rocket arsenal. In their efforts toward this end the West German government is using both the notorious Adenauer—De Gaulle pact and the American conception for creating the so-called "NATO multi-national atomic force."

Dear Comrades!

Our concern for preserving peace is not the result of our weakness. The Socialist camp is sufficiently strong to hurl back any aggressor and give him a smashing blow. But we object to such a necessity. We have faith in man. We are convinced that the working people, all those who love peace will manage to save humanity from the frightful effects of a thermonuclear war.

Dear Comrades!

In the strengthening of the unity of action and in the development of economic cooperation between the Socialist countries we see the guarantee for our new successes in the peaceful economic competition with capitalism. For this reason the Polish United Workers' Party supports every initiative designed to strengthen our economic cooperation.

Our Party also comes out strongly for tightening the unity of all the fraternal, Marxist-Leninist Parties. Our own experiences and the experiences of the international working-class movement teach us that the solidarity of the Communist and Workers' parties is a guarantee of our success in the struggle for world peace. The Polish United Workers' Party supported unreservedly the proposal of the Communist Party of the Soviet Union for calling a halt to public polemics between individual parties. We believe furthermore that consultations between several fraternal parties make it possible to remove any transient differences of opinion which cause such rejoicing among imperialist circles.

Comrades and Friends!

Next year the Polish people will celebrate the twentieth anniversary of the victory of people's power in our country. The favourable balance of the past two decades is everywhere evident. Under the leadership of our Party the Polish people have rebuilt our country from the monstrous ruins of war. People's Poland is now in the ranks of the advanced industrial-agricultural countries. Today our industry produces nine times more per capita, while our agriculture 1.5 more than before the war. Completely new branches of industry have been developed in Poland; we have become a sea power, a country with a huge chemical industry and a big steel industry. We have rebuilt our Western Territories on which eight million Poles are settled.

In our domestic policy our Party concentrates its efforts on problems concerned with economic, cultural and social development, as well as on drawing the greatest number of the working masses into the National Unity Front and rallying them round the issues of building Socialism.

Our people are convinced that their creative efforts, directed

toward the all-round development of the country, is their contribution to the splendid triumph of peace and Socialism throughout the world. The work and the struggle of your Party serves albeit in other conditions, the same end.

We are certain that your present Congress, because of its fruitful deliberations, will make an important contribution here. Permit me to wish all members of your Party success in their personal lives and in the struggle for peace and social progress.

Long live the Communist Party of Belgium, the leading detachment of the Belgian working-class movement!

Long live friendship and solidarity between the working people of Belgium and Poland!

Long live peace and Socialism!

WITOLD JAROSIŃSKI

Secretary of the Central Committee of the PUWP

SPEECH DELIVERED AT THE THIRTEENTH CONGRESS OF THE COMMUNIST PARTY OF FINLAND

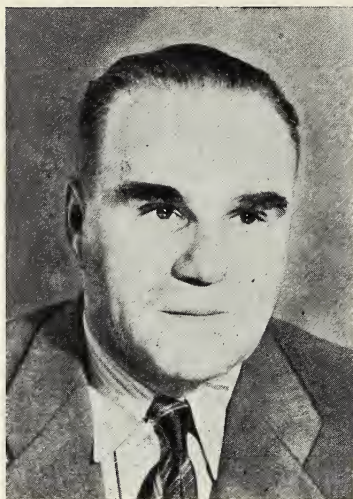
APRIL 13, 1963

Comrades!

On behalf of the Central Committee of the Polish United Workers' Party and all members I cordially greet this 13th Congress of the Communist Party of Finland, and extend the warmest greetings of the working class of People's Poland and the entire Polish nation to the Finnish working class and the working masses of your country.

At the same time I greet all Finnish democrats and fighters for progress and peace, thanks to whom your country carries on a peaceful and neutral policy. An expression of this policy are the good relations that link Finland with the Soviet Union, Poland and other Socialist countries. This policy, known as the Passakivi line, has become an important factor in the political stabilization of northern Europe.

Although the peoples of Poland and Finland live under different social systems, feelings of friendship and solidarity, and an ardent desire to maintain peace, link the working masses of both our countries. A great role in bringing our countries and our peoples closer to each other is played by our two parties, the Polish United Workers' Party and the Communist Party of Finland, by our common Marxist-Leninist ideology, and by our common struggle for peaceful coexistence and the brotherhood of nations.



WITOLD JAROSIŃSKI

Comrades!

Both our parties take the position that the main problem and obligation of Communist and Workers' parties in our times is the struggle for the prevention of the catastrophe of a nuclear war, for the liquidation of the remnants of World War II, for the liquidation of the centres of dangerous conflicts — the struggle for peaceful coexistence of states with different social systems.

Peaceful coexistence is the sole alternative in our times for preserving life and defending the achievements of many centuries of human civilization.

The fighters for peace throughout the world demand a permanent end to thermo-nuclear tests, advocate a ban on giving atomic weapons to countries which have none at present, and demand a peaceful settlement of the problem of Germany and West Berlin.

Acceptance of the Polish plan for establishing a zone free of atomic weapons and with limited arms in the centre of Europe and the creation of such zones in other regions of Europe and the rest of the world would diminish the danger of war, could be a significant step toward the liquidation of international tensions and would facilitate the achievement of disarmament. The Polish people categorically protest against giving the

Federal Republic of Germany any nuclear weapons in whatever shape or manner.

Both our parties agree that acceptance of the realistic proposals made by the countries of the Socialist camp in connection with these issues could contribute to easing the present tension in the world, and would be a victory for the principle of peaceful coexistence.

Both our parties support the realistic, consistently peaceful policy of the Soviet Union which is the decisive force in the Socialist camp. We recognize what a great responsibility for the fate of world peace rests on the Soviet Union.

Unity of the international Communist movement and of the states in the Socialist camp is the keystone, pre-condition and guarantee of success in the struggle for peace and progress. The more cohesive the Socialist and Communist movement, the more concerted its actions, the stronger will be the forces of peace, and the more effective will be the struggle against the threat of war. Complete unity of action of the Communist and Workers' parties in the struggle for peace and against imperialism is a principle from which no responsible Marxist may depart.

The Polish United Workers' Party supports the position of the CPSU presented in its letter of March 30, 1963, to the Central Committee of the Communist Party of China, a position that is characterized by true Leninist principles and a will to overcome existing differences and difficulties.

Comrades!

This is the nineteenth year since Poland became a member of the great family of Socialist countries, and during all this time has been making its contribution toward the triumph of Socialism and peace in the world.

With self-sacrificing and preserving toil, our people have

raised Poland from centuries-old backwardness and wartime ruins, and have transformed it into an industrial-agricultural state that is rapidly advancing technically, educationally and culturally.

Today, our industry produces nine times more than pre-war for each citizen of People's Poland, while agriculture produces one and a half times more. Thanks to this we have significantly reduced the distance that separates us from the highly developed countries in Europe.

We believe that still closer economic cooperation between the Socialist countries provides great possibilities for the development of our economy.

Division of labour, cooperation, coordination and specialization of industrial production and also in other branches of the economy of the member-countries of the Council for Mutual Economic Assistance, will enable Poland and the other Socialist countries to achieve a still swifter rate of growth of their productive potential and thereby increase the successes of the Socialist system in its peaceful competition with the capitalist system.

In its political and educational work our Party lays the main emphasis on uniting the broadest masses of working people round the fundamental task of building Socialism. The greater initiative on their part, their feeling of responsibility for the fate of the country, is connected with the development of Socialist democracy, with democratic forms of government and management, with the activities of workers' self-government and peasants' self-government, as well as with the broad powers of the People's Councils — the local organs of power.

Comrades!

Our Party, faithful to the ideas of proletarian internationalism, regards your activities as an integral part of the historic

struggle carried on by the international working class for the complete liberation of humanity, for peace and social progress.

Your struggle has behind it our heartfelt, fraternal feelings of solidarity. We are convinced that your 13th Congress will contribute to the growing influence of your Party, to the intensification of the struggle for peace and Socialism.

Long live the Communist Party of Finland!

Long live the friendship and solidarity of the Polish and Finnish working masses!

Long live and triumph peace and Socialism!

EDMUND PSZCZÓŁKOWSKI

Head of the Agricultural Department of the Central Committee

AGRICULTURE – THE DECISIVE FRONT*

The speedy development of agriculture in countries with a highly developed industry proves the direct dependence of agriculture on the amount of investments made in it and the quantity of modern means of production supplied to agriculture by industry, particularly the engineering and chemical industries.

The 23 per cent increase in total production registered in Poland during the last few years (taking the average of the three-year periods 1954-1956 and 1960-1962 as a basis of comparison) is also directly connected with an increase in capital investments and current assets in agriculture. The increase in supplies to agriculture during this period is illustrated by a comparison of the supply of important means of production in the years 1955 and 1961:

	1955	1961
Tractors	6,800	12,900
Tractor-drawn sheaf-binders	3,300	6,400
Motor-driven threshing machines	800	11,200
Tractor-drawn mowing machines	1,800	5,000
Horse-drawn mowing machines	4,000	23,000

* Article from *Życie Partii* (Party Life) No. 4, April 1963.

	1955	1961
Artificial fertilizers, per ha. of cultivated land	35.3 kg	51.9 kg
Cement	423,000 tons	1,654,000 tons
Bricks	391,000,000	829,000,000
Number of farm buildings erected	33,900	55,400

The amount of pesticides supplied to agriculture in these years increased 2.5 times, and the use of herbicides, undertaken on a major scale in 1958, involved an area of 800,000 hectares by 1962.

Investment outlays on land improvement are going up from 5,500 million zlotys in 1955-1960 to about 15,000 million zlotys in 1961-1965. The area of irrigated and drained arable land is quickly increasing — 47,000 hectares in 1956 as against 125,000 hectares in 1961. The production of drain tiles in terms of units measuring 5 cm. in diameter increased from 25 million in 1953 to 205 million in 1962.

Though the measures taken so far have made possible a systematic increase in agricultural production, they have not provided the sort of rise necessary for the development of the whole of our national economy and for a further increase in the living standard of the urban and rural population. They have definitely not solved the problem of our inadequate supply of fodder to meet the needs of our steadily growing stock farming.

Whereas during the last seven years the production of cereals has increased by about 2,500,000 tons, the amount of cereals used for fodder in the same period has increased by over 3,000,000 tons, and, at the same time, consumption of cereals by the population has risen by 500,000-700,000 tons. Similarly, while potato crops, which in our conditions constitute an important feeding ingredient in pig breeding, have increased by about 20 per cent, the production of pig meat has increased by

nearly 40 per cent. In connection with this, it has become necessary to increase our imports of cereals. During the last two years, the import of cereals has been 1,300,000 tons higher than in the years 1955-1956, thus burdening our foreign trade balance with expenditure to the tune of about 200 million dollars annually.

That is why the recent 12th Plenum of the Central Committee was again devoted to a discussion of problems connected with increasing agricultural production, particularly the problem of the insufficient quantity of fodder produced in the country.

The resolution of the 12th Plenum of the Central Committee focuses attention on the following major problems:

— The taking of steps to increase cereal harvests, among others, by using the better soils for growing wheat, which gives a higher yield, instead of rye.

— With the aim of increasing the protein content of home-produced fodders and thus providing more effective feeding-stuffs, efforts should be made to increase the area under lucerne, clover, and small beans and other plants which have a high protein content.

— More rapid elimination of the lack of protein in home-produced fodders by speeding up industrial production of fodder concentrates which have a higher protein content than cereals.

— Better equipment of State Farms with tractors, agricultural machines and other technical equipment in order to extend mechanization to all types of farm work and thereby increase labour productivity on all State Farms and bring about a radical improvement in the situation of farms working at a loss, as well as enable the State farms to take over within the next three years 200,000 hectares of land belonging to the State Land Fund and not being farmed permanently by anyone, hence giving at present poor production results.

— Observation of the principle that concentration of equipment in selected rural communities should go hand in hand with construction of a technical network, in the form of servicing points coming under the State Machine Centres, in order to ensure better maintenance of tractors and equipment supplied to agricultural circles.

— The necessity of adopting laws limiting the right to inherit land only to those working on farms and preventing the division of holdings into allotments below the minimum required for rational farming with a view to checking the quick process of the fragmentation of peasant farms and reducing the burden of payments to heirs which affect the production capacity of the farms.

Fulfilment of these tasks will call for a considerable increase in investment outlays over and above the amount provided for in the Five-Year Plan. The resolution of the 12th Plenum of the Central Committee envisages that the additional investments made directly in agriculture and in the industries serving agriculture — the fodder, tractor, farm machinery and chemical industries — will amount to 9,000-9,500 million zlotys by the end of 1965.

An important feature of the resolution of the last Plenum of the Central Committee is a further speeding up of the supply of modern means of production to agriculture. This will call for ever better distribution and handling of the new machinery and facilities by the organs of state power and the state and cooperative agencies serving agriculture; furthermore, it will call for much more attention to these matters by Party committees and organizations. For the effectiveness of the expenditure for agriculture, their role in increasing farm production, will depend on the attitude of all these bodies.

The increased supply of means of production to agriculture

will not only make for a quantitative change — along with the quantitative increase there will be important qualitative changes which will require a lot of organizational work.

Increased supplies of selected seed are connected with the implementation of the comprehensive seed programme involving all farms. This calls for the drafting of a plan for the exchange of seed and seed potatoes on each and every farm, the creation of a network of seed reproduction farms and the organization of an exchange of seed between the latter and certain farms, and the drawing up of an annual balance sheet of selected seed for every village, rural community and county.

The two and a half times increase in chemical plant-protection agents during the last five years, the constantly increasing assortment of these chemicals and the growing need for instruction on their proper use, have made it necessary to organize enterprises specializing in this field or special plant-protection sections at State Machine Centres and to set up plant-protection brigades in agricultural circles (mention should be made here of the plant-protection youth brigades organized by the Rural Youth Union), and in other farm organizations.

In view of the ever wider use of lime fertilizer, it is no longer enough just to supply it to the warehouses of the village cooperatives. It is necessary that the State Machine Centres should organize services in this regard, including its delivery to the farms and mechanical spreading on the fields. The planned manifold increase in the use of lime will call for fuller mechanization of work in the transport and spreading of this fertilizer. The same applies to the use of ammonia water for fertilization purposes.

As a result of the growing outlays for land improvement, new assets are being created in the form of irrigation and drainage installations. In this connection, too, a lot of organizational work will be necessary in order to make sure that the

installations are properly utilized, particularly on pastures and meadows. The backwardness in the exploitation of meadows and pastures, both on State Farms and peasant farms, is one of the worst in our agriculture. Insufficient attention to the maintenance and conservation of irrigation and drainage installations, too little care of meadows and pastures, and primitive, obsolete methods of harvesting hay are, unfortunately, quite a common thing. An ever denser network of water groups is being set up all over the country, but only some of them are doing their job really well. Meadows and pastures provide tremendous possibilities for providing additional fodder. True, the hay crops have increased by about 6 quintals per hectare during the last five years due to land improvement work, but the results obtained so far by no means exhaust the existing possibilities.

The 12th Plenum of the Central Committee set the objective of concentrating mechanical equipment in the agricultural circles and, along with this, the building of a technical network in the form of servicing points run by the State Machine Centres. Hitherto, concentration has been confined to 57 rural communities and a number of villages scattered all over the country. Out of the 10,500 agricultural circles possessing tractors, only 2,200 had three or more tractors at the end of 1962, whereas 8,300 agricultural circles had only one or two tractors.

The resolution of the 12th Plenum laid down the principle that tractors be allotted to circles on whose land technical maintenance points exist or are in the course of establishment.

This means an important change in the organization of mechanization through agricultural circles and the effective exploitation of the equipment. Single tractors scattered here and there have been used mainly to make good the existing shortage of live draught power in villages and they have been largely used for transport purposes or to service only one or

two farms in the village. On the other hand, the concentration of tractors in rural communities will make it possible to exploit them to a much greater extent for field work, to service the majority of farms in the villages and thus contribute to an intensification of agricultural production. Under these new conditions, the agricultural circles can no longer confine themselves to meeting the demand for tractor services. They must help to bring about major changes on peasant farms, promote intensified production and strive to conclude agreements covering all kinds of farm work. This means that the mechanical equipment owned by the agricultural circles should be used in such a way as to enable them to play a major part in the carrying out of the plans of the rural communities, including contract purchasing, combating of plant pests and weeds, implementation of the seed programme, improvement in the exploitation of meadows and pastures, the development of stock-breeding, etc.

The increase in the plan for production of fodder concentrates with a high protein content up to three million tons in 1965, will make possible an important change in use of the fodder supplied to farmers. Instead of the present practice of distributing fodder mixtures as a supplement to the farmer's own fodder produced on the peasant farms, the concentrates will be used to an ever greater extent to replace the cereals used for feeding and will become a factor making for the organization of rational and economical feeding of farm animals.

The envisaged increase in capital investments on State Farms and the programme for taking over 200,000 hectares of land from the State Land Fund during the next three years, call for a thorough study of the investment needs of the various farms, for giving priority to investment projects on the basis of economic justification, and, in taking over land, for consider-

ation of the necessity to liquidate peasant-owned enclaves on State Farms, etc.

As can be seen from all this, the qualitative changes accompanying increased supplies to agriculture also have the effect of broadening the scale of factors making for the development of agriculture, for speeding up this development and for improving the methods of farming.

The main line of work of the Party committees and organizations should be to see to the coordination of all forms of organizational activity promoting the development of agriculture, to help in the solution of all major problems, and to give day-to-day guidance in the activity of economic, state and cooperative institutions and social organizations working in the countryside.

The agricultural circles are the principal agencies for organizational work in the villages, hence the main field of action of the Party branches in the countryside. The activity of the agricultural circles should be the principal medium of cooperation between the Party branches and the United Peasant Party organizations. In all this work the rural Party organizations need a lot of concrete assistance from the leading Party bodies.

Assistance can no longer be limited to the present method of mobilizing the county active to conduct a political campaign in the villages in connection with some definite economic activity, or the method of a county activist being responsible for one or several rural Party branches. All economic initiative of the Party branches in the countryside, implemented through the medium of the agricultural circles (for instance, improvement of the crop structure, help to neglected farms, better exploitation of meadows and pastures and — in connection with this — the planned increase in stock-breeding, the development of mechanization by means of the agricultural circles and the resulting programme for intensifying agricultural production, etc.) calls for close and all-round cooperation on the part of a

number of economic and social organizations serving agriculture.

That is why mobilization of the Party active working in these institutions should not consist so much in setting them tasks in general organizational and political campaigns, which should only constitute a part of their political work, but rather in setting them definite Party tasks resulting from the activity of the given institution. The idea is that a member of the Party — whether he is an employee of a contracting institution, an instructor on the feeding of animals, an expert on land improvement, a mechanization instructor, a bank worker or an employee of a savings and loan cooperative — should, in addition to his professional work, collaborate with Party organizations and agricultural circles in the villages. Thus, his professional work should be combined with the implementation of the programme of organizational and production activity of the Party branches and with carrying out of the plan of action drawn up by the agricultural circles. In this sense, work with the county active should — it seems — constitute an important part of the work of the leading Party bodies with the Party branches in economic and social institutions operating in the countryside and serving agriculture.

The growing political and organizational role of the Party in the field of agricultural production calls for simultaneous action in two directions: coordination of all economic and organizational work conducted by institutions serving agriculture and direct assistance to the Party organizations in the rural areas, as well as synchronization of these two lines of action. These tasks call for more efficient and more concrete forms of work by the leading Party bodies.

M A T E R I A L S A N D D O C U M E N T S

TELEGRAM TO THE TWENTY-EIGHTH CONGRESS OF THE COMMUNIST PARTY OF GREAT BRITAIN

DEAR COMRADES,

WE SEND HEARTFELT AND CORDIAL GREETINGS TO THE DELEGATES GATHERED AT YOUR CONGRESS AND ALSO TO ALL MEMBERS OF THE FRATERNAL COMMUNIST PARTY OF GREAT BRITAIN. THE WORKING MASSES OF PEOPLE'S POLAND FOLLOW WITH GREAT INTEREST THE STRUGGLE CONDUCTED BY BRITISH COMMUNISTS IN DEFFENCE OF THE MOST VITAL INTERESTS OF THE PEOPLE OF YOUR COUNTRY, AGAINST THE POWER OF MONOPOLY CAPITAL, FOR BROADER COOPERATION WITH SOCIALIST COUNTRIES IN ALL SPHERES, FOR LIQUIDATION OF THE REMNANTS OF COLONIALISM, AND FOR PEACE AND PROGRESS. WE HAVE HIGH REGARD FOR YOUR CONTRIBUTION TOWARD STRENGTHENING THE INTERNATIONAL UNITY OF THE COMMUNIST MOVEMENT.

IT IS OUR SINCERE HOPE THAT YOUR CONGRESS WILL HELP BRING NEW SUCCESSES TO YOUR PARTY, THAT ITS DECISION WILL LEAD TO A FURTHER GROWTH OF THE COMMUNIST PARTY OF GREAT BRITAIN, TO GREATER INFLUENCE AMONG THE WORKING MASSES AND TO UNITY OF ACTION OF ALL PROGRESSIVE FORCES; THAT THE DECISIONS WILL BECOME A POWERFUL STIMULUS IN YOUR STRUGGLE FOR THE VICTORY OF PEACE, DEMOCRACY AND SOCIALISM.

CENTRAL COMMITTEE
POLISH UNITED WORKERS' PARTY

TELEGRAM TO THE NATIONAL
CONFERENCE OF THE COMMUNIST PARTY
OF NEW ZEALAND

WE SEND OUR FRATERNAL GREETINGS AND BEST WISHES FOR SUCCESSFUL DELIBERATIONS TO THE DELEGATES GATHERED AT YOUR NATIONAL CONFERENCE.

WE ARE CONVINCED THAT THE DECISIONS OF YOUR CONFERENCE WILL CONTRIBUTE TO THE FURTHER DEVELOPMENT OF YOUR PARTY AND TO THE ACHIEVEMENT OF NEW SUCCESSES IN THE FIGHT FOR THE VITAL NEEDS OF THE WORKING MASSES AND FOR THE TRIUMPH OF OUR COMMON CAUSE — PEACE, DEMOCRACY AND SOCIALISM.

CENTRAL COMMITTEE
POLISH UNITED WORKERS' PARTY

CHRONICLE OF IMPORTANT EVENTS IN POLAND

IN APRIL 1963

**March 16-
April 3** The Polish-Brazilian Mixed Commission met in Rio de Janeiro. The Polish delegation was headed by Franciszek Modrzewski — Deputy Minister of Foreign Trade. The Commission made an analysis of present trade and of possibilities for its expansion, considered ways and means for Brazil to utilize the credit granted by Poland, and discussed the question of technical and scientific exchange between the two countries.

**March 31-
April 8** Mr. Julius Bomholt, Minister of Culture of Denmark, paid a visit to Poland at the invitation of Tadeusz Galiński, Minister of Culture and Art of the Polish People's Republic. Mr. Bomholt acquainted himself with the achievements of Polish culture and the organization of cultural life, visited a number of cultural institutions in Warsaw, Cracow and other cities, and held talks with the Minister of Culture and Art and other leading personalities, regard-

ing the development of cultural exchange between Poland and Denmark. Proposals were made to broaden cultural cooperation between the two countries so as to cover a number of other branches of the arts.

1-3 The President of the United States of Mexico, Adolfo Lopez Mateos, paid an official visit to Poland at the invitation of Aleksander Zawadzki, Chairman of the Council of State of the Polish People's Republic. Talks were held in the course of which both sides exchanged opinions on the main international problems of interest to Poland and Mexico and also discussed the prospects for the further development of relations between the two countries. Both sides expressed the view that only general and total disarmament can assure mankind of lasting peace in the epoch of rockets and nuclear weapons, and that atom-free zones in Europe, Latin America and other parts of the world would help

to reduce the danger of a nuclear conflict and would constitute an important step toward general and total disarmament. Economic talks were also held between a Polish government delegation and a delegation of the Mexican government as well as representatives of Mexican business circles.

2-12 At the invitation of the CC of the PUWP a delegation of leading CPSU workers, headed by Vitali Titov, Secretary of the CC of the CPSU, visited Poland for an exchange of experiences in party work. The members of the delegation toured the country, visiting Katowice, Rzeszów, Cracow, Poznań and Kielce, where they met with the leadership of the Provincial Committees. In Warsaw, they held talks with the leadership of the CC and also had a meeting with a group of Central Committee workers as well as with leading people from the Warsaw City Committee and the Warsaw Provincial Committee. On April 12, 1963, Comrade Titov and the other members of the delegation were received by Władysław Gomułka, First Secretary of the CC of the PUWP.

3 *Trybuna Ludu*, organ of the CC of the PUWP, published the text of the letter of the CC of the CPSU to the CC of the Communist Party of China dated March 30, 1963.

4 On the occasion of the national holiday of the Hungarian People's Republic, Władysław Gomułka — First Secretary of the CC of the PUWP, Aleksander Zawadzki — Chairman of the Council of State of the Polish People's Republic, and Józef Cyrankiewicz — Chairman of the Council of Ministers, sent a telegram of congratulations to Janos Kadar — First Secretary of the CC of the Hungarian Socialist Workers' Party, and to Istvan Dobi — Chairman of the Presidium of the Hungarian People's Republic.

● A trade protocol for 1963 was signed in Warsaw between Poland and the Republic of Cuba.

5 A national "Export-Import" Exhibition was opened in Katowice. Its purpose is to encourage the production of goods for export and the manufacture of items hitherto imported.

8-11 A Yugoslav government delegation, headed by Comrade Mijalko Todorovic, Vice-Chairman of the Federal Executive Council, came to Poland for the 5th Session of the Polish-Yugoslav Committee for Economic Cooperation. The delegation visited a number of industrial enterprises in Silesia and held talks with leading officials of our economy and government. The Committee for Economic Coopera-

tion decided, among other things, to set up a Mixed Commission for cooperation in industrial production and to organize consultations between planning and foreign trade agencies of the two countries regarding economic development and trade up to 1970. Before leaving the country Comrade Todorovic was received by Wladyslaw Gomułka, First Secretary of the CC of the PUWP.

12 The Central Committee of the PUWP sent telegrams of fraternal greetings and best wishes for fruitful deliberations to the 28th Congress of the Communist Party of Great Britain and the National Conference of the Communist Party of New Zealand.

● Poland and India prolonged for another five years the agreement signed by the two countries in 1958 regarding cooperation in the peaceful use of atomic energy.

12-15 A delegation of the PUWP, led by Witold Jarosiński — Secretary of the CC of the PUWP, attended the 13th Congress of the Communist Party of Finland.

13-15 A delegation of the PUWP, headed by Edward Gierrek — member of the Political Bureau of the CC and First Secretary of the Katowice Provincial Committee, attended the 14th Con-

gress of the Communist Party of Belgium.

17 Wladyslaw Gomułka — First Secretary of the CC of the PUWP, and Józef Cyrankiewicz — Chairman of the Council of Ministers, sent a telegram of congratulations to Comrade N. S. Khrushchov — First Secretary of the CC of the CPSU and Chairman of the Council of Ministers of the USSR, on the occasion of his 69th birthday, wishing him success in his work for still closer unification of the great family of Socialist countries and for the strengthening of the world peace forces and the cause of peaceful coexistence among nations.

17 A meeting of the Warsaw Party active, attended by Wladyslaw Gomułka — First Secretary of the CC of the PUWP — took place in the auditorium of the Council of Ministers. Comrade Gomułka delivered a speech devoted to current economic problems and later replied to many questions.

18 A meeting was held in Warsaw to mark the 20th anniversary of the uprising in the Warsaw Ghetto. It was attended by representatives of various sections of the Warsaw population, by Party and government officials, as well as by a delegation of the

International Federation of the Resistance Movement, a delegation of the German Democratic Republic, headed by Karl Maron — Minister of the Interior, and many foreign guests. Speeches were delivered by Janusz Zarzycki — chairman of the Committee for the Commemoration of the 20th Anniversary of the Warsaw Ghetto Uprising and Chairman of the Warsaw People's Council — and by Grzegorz Smolar, member of the Presidium of the General Board of the Social and Cultural Association of Jews in Poland. Next day a commemorative ceremony was held at the Monument to the Heroes of the Ghetto where wreaths were laid by numerous delegations and a roll call of the martyrs was read.

19 The news about the outstanding Spanish patriot, Julian Grimau, being sentenced to death, aroused a wave of protests in Poland. Telegrams asking that the sentence be quashed were sent to General Franco and the Spanish government by Czesław Wycech — Speaker of the Sejm, Professor S. Kulczyński — Deputy Chairman of the Council of State, Ostap Dłuski — Chairman of the Polish Group of the Interparliamentary Union, by the Presidium of the Polish Peace Committee, by a number of other mass organizations, and by leading scientists and cul-

tural workers. The Central Council of Trade Unions published a statement protesting against the sentence. Protest meetings were organized in many work establishments, offices and institutions as well as in universities and colleges. A wave of violent protest and indignation swept Poland following receipt of the news about the murder of Julian Grimau.

20 A special meeting was organized in Warsaw by the All-Poland and Warsaw National Unity Front Committees on the eve of the 18th anniversary of the signing of the Treaty of Friendship, Mutual Aid and Post-war Cooperation between Poland and the USSR. The meeting, attended by representatives of the highest Party bodies and the state authorities, was addressed by Zenon Nowak — Vice-Chairman of the Council of Ministers, and by Avierky Aristov, Soviet ambassador in Poland.

20 A protocol was signed in Prague regarding cooperation between Poland and Czechoslovakia in the use of nuclear energy during 1963-1964.

● A plan for implementing the agreement on cultural cooperation between the Polish People's Republic and the People's Republic of China in 1963, was signed in Peking.

21 Telegrams of congratulations were exchanged between Polish and Soviet leaders in connection with the 18th anniversary of the signing of the historic Treaty of Friendship, Mutual Aid and Post-war Cooperation between the Polish People's Republic and the USSR.

● On the occasion of the 93rd anniversary of the birth of Vladimir Lenin and the 18th anniversary of the signing of the Treaty of Friendship, Mutual Aid and Post-war Cooperation between Poland and the USSR, a mass meeting of the population of the Cracow Region was held near the Lenin monument in Poronin, a village where Lenin lived in 1913 and 1914.

● Władysław Gomułka, First Secretary of the Central Committee of the Polish United Workers' Party, received Victor Vinde, editor-in-chief of the Swedish newspaper *Stockholms Tidningen*, and granted him an interview.

23-24 The Third Plenum of the Central Council of Trade Unions was held in Warsaw. The Plenum discussed the tasks facing the trade unions in connection with the objective to increase agricultural production, considered proposals for better utilization of funds allocated for the purpose of

satisfying the social and material needs of the working people and their families, and dealt with the report on the carrying out of the Central Council's budgetary provisions for 1962. The Plenum passed a resolution condemning the murder of Julian Grimau by the Franco regime.

24-28 A Polish economic delegation, headed by Stefan Jędrychowski — Chairman of the Planning Commission at the Council of Ministers, visited Moscow for two-sided talks with the Soviet Union regarding economic cooperation during the period of the long-term development plan up to 1980, and, in particular, during the years 1964-1970.

25-26 The 8th plenary meeting of the National Committee of the United Peasant Party took place in Warsaw. The meeting discussed the present state and needs of agricultural education in Poland.

25-28 A delegation of the Communist Party of Denmark — K. Jespersen, Chairman of the Party, and V. Karlsson and J. Norlund, members of the Political Bureau — visited Poland. The Danish Party delegation held talks with leading members of the PUWP, in the course of which the representatives of the two parties

exchanged opinions concerning the present international situation, the world Communist movement, and other problems of interest to the two parties. "The representatives of the Communist Party of Denmark, expressing the aspiration of the Danish people to safeguard peace, to remove the danger of nuclear war, to achieve general and total disarmament, advocate the establishment of a neutral, atom-free zone in northern Europe... The initiative of the C. P. of Denmark is fully in accord with the policy pursued in this respect by the Polish People's Republic. That is why the representatives of the CC of the PUWP expressed their conviction that if Denmark and other countries decide to set up a neutral, atom-free zone in northern Europe, Poland will be ready to give her full support to the proposed zone and, both on its own as well as jointly with other interested states, guarantee the ter-

ritorial inviolability of Denmark and of other countries making up this zone and undertaking the necessary obligations." The delegation was received by Władysław Gomułka, First Secretary of the CC of the PUWP.

26 A conference was held in the offices of the CC of the PUWP devoted to the following questions: better methods for running agriculture, ways and means of providing the farms with trained personnel, and introduction of a bonus system on State Farms.

29 A Polish-Czechoslovak trade and payments protocol for 1963 was signed in Warsaw. The protocol provides for a further expansion of trade between the two countries.

30 A trade and payments agreement for 1963 was signed in Warsaw by Poland and the People's Republic of China.

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